

Congress of the United States

Washington, DC 20515

June 24, 1998

The Honorable Bruce Babbitt
Secretary
US Department of the Interior
Washington, DC 20240

The Honorable Pete Wilson
Governor
State Capitol
Sacramento, California

Dear Secretary Babbitt and Governor Wilson:

The CALFED Bay-Delta program offers an historic opportunity for state and federal agencies and stakeholders to address the quantity, quality, cost and reliability of water supplies in California for generations to come. We have supported the Bay-Delta process from the outset, and we want to be able to support its final recommendations.

However, as federal officials concerned about the future water policy of our state, we believe that the options included in CALFED's draft Environmental Impact Statement (March 16, 1998) do not give appropriate emphasis to maximizing the efficient use of water resources in California. We were pleased to read reports of your meeting this week that resulted in your agreement that non-structural elements of the CALFED plan will take priority over construction of costly new projects.

We consider it essential that CALFED avoid endorsing a "business as usual" approach that promotes costly, environmentally controversial water projects. CALFED must emphasize practical alternatives to past policies that have contributed to the misuse of water resources in California. Only if these issues are decisively addressed is CALFED likely to receive the broad based support necessary to rally public and political support for its long term implementation. Moreover, we believe that only after a genuine effort is made to maximize the efficient use of current supplies will there be support for additional facilities.

Water Use Efficiency: CALFED must emphasize the urgent need to improve the efficiency of water usage in both the urban and agricultural communities of California. We recognize that major improvements have already occurred in both sectors, but there is overwhelming evidence that significant potential still exists. The potential for maximizing efficient use of existing supplies must be fully and accurately factored into CALFED's analysis, and should include not only conservation techniques (including municipal plumbing technology, management of groundwater depletion, improved irrigation techniques and selection of crops), but also the rapidly expanding fields of wastewater reclamation and recycling. It is critical that the analysis of the potential for these conservation, efficiency and management options compare the environmental and economic costs of improving water use efficiencies with the water project construction alternatives presented in the Phase II report.

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Implementation of Existing Management Laws: Laws enacted by the Congress and the Legislature to promote more efficient management of water resources, improvements in quality, and flexibility in usage must be fully enforced as pre-conditions to proceeding with CALFED's recommendations. Little confidence can be placed in public agencies charged with implementation of so expansive and costly an agenda as CALFED envisions if those same agencies have not successfully implemented more modest programs which are their legal responsibility. We note in particular the need to finalize key aspects of the Central Valley Project Improvement Act (CVPIA, P.L. 102-575) whose implementation will doubtless have a significant impact on the federal water program, including long term contract reform, water conservation requirements, water transfers, incentive tiered pricing, and flexibility in future contract volumes and pricing.

Water Transfers: Along with leading members of the business community throughout California, we believe that a reasonable but regulated system of water transfers will assure the efficient and productive use of water in the state. The public record clearly establishes the desire of many existing contractors to sell a portion of their water supply. With proper protections for local economies and communities, we believe transfers are part of a more market-oriented approach to water management and usage that can break past subsidization practices and the inefficiencies and waste that generally accompany them. In recent years, a growing number of water transfers among some agricultural interests in the Central Valley have demonstrated the potential of such initiatives to benefit the agricultural community by increasing the efficiency of water use and improving water supply reliability.

Drainage Reduction/Wastewater Reuse: The serious environmental (and potential public health) problems associated with massive quantities of wastewater present both a major challenge to CALFED and also a major opportunity to promote aggressively technological responses that can minimize waste and enhance reuse. We believe CALFED must address these issues, and must reaffirm the principle that no region of the state should be expected to become the recipient of the waste of another region. The irrigation drainage problem of the Central Valley, so vividly brought to public attention by the Kesterson crisis a decade ago and a continuing calamity for the San Joaquin River, cannot be ignored; nor can the threats to fisheries, rivers and groundwater presented by the rapidly expanding cattle operations that generate far more waste than they can utilize on site. As drainage-impaired land in the San Joaquin Valley is removed from production through carefully crafted, voluntary willing-seller land retirement programs, benefits may accrue for Bay-Delta water quality, water supply reliability, and for terrestrial and aquatic environments. Similarly, the enormous urban growth in the state projected by the State Water Plan to which CALFED is partially responding -- over 15 million new residents within 20 years -- mandates that CALFED address not only the issues of water supply, but also the requirements, costs and environmental impacts associated with that massive population growth that additional water

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supplies will invariably help to encourage.

Financing of CALFED Recommendations: We noted that implementation of CALFED's recommendations may well require state and federal financing in excess of \$15 billion. CALFED must present a realistic, specific and accurate financing package that clearly recognizes the limited role of public financing in paying very substantial sums of money associated with certain program options. We call on CALFED to reject past reliance on subsidies to reduce the cost of initiatives. We believe it is CALFED's responsibility to identify the specific benefits which water users would receive from the program and which users are expected to bear which costs.

Water Quality: CALFED must fully explore, and commit itself to, state-of-the-art treatment technologies to provide Californians with the highest quality drinking water. Assuring adequate supplies of high quality drinking water can be accomplished by numerous strategies other than traditional construction of costly and generally controversial storage and conveyance facilities, and we urge a full examination of such alternatives. CALFED's analysis of alternatives must include the benefits to water quality derived from increased fresh water flows in the Delta, ecosystem restoration, watershed management, reservoir protection, pollution prevention, groundwater management and clean-up, as well as the potential for improvements in source water quality to reduce treatment costs.

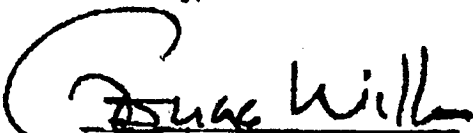
Ecosystem Restoration: We urge CALFED to prepare an ecosystem restoration program which is ambitious, scientifically sound, adequately funded, long-term and realistic. We will be paying particular attention to CALFED's institutional arrangements to assure that this restoration program achieves its goals through an effective and adaptive implementation strategy. All Californians recognize the importance of protecting and restoring the Bay-Delta ecosystem. Such restoration is also central to improving water supply reliability for water users who rely on this system. Finally, CALFED should evaluate the economic benefits of such a restoration program.

Process Integrity: Public support for CALFED will depend on the integrity of the process, the extent to which all parties are assured a full hearing and appropriate participation, and the confidence that all options and strategies have been given thorough, not merely perfunctory, consideration. Similarly, CALFED cannot succeed if it allows stakeholders to remove admittedly controversial or non-traditional options from consideration. Balance is necessary, but so is a determination to make recommendations that represent the most achievable and responsible options for all Californians. We are aware of and sympathetic to the concept of a "staged" approach that would maximize current water usage prior to moving forward with consideration of new facilities to meet the remaining demand. To assure the credibility of such a staged approach, CALFED must give special care to assure that the conservation, efficiency, and management options described in this letter are not arbitrarily or prematurely dismissed because of traditional biases in favor of major storage and conveyance facilities.

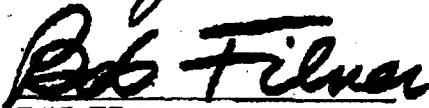
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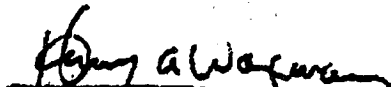
We wish to reiterate our support for the CALFED process and our desire to be able to support its ultimate recommendations. Like others in the state, we are prepared to put aside past positions and consider new approaches if we are convinced that the process has been fair and the conclusions represent the results of sound science, technological innovation, and credible financing arrangements. We wish again to offer our assistance to state and federal negotiators as the CALFED process continues in its challenging and very important work.

Sincerely,


GEORGE MILLER

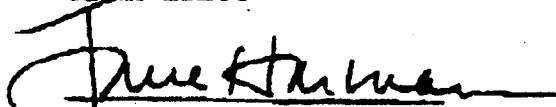

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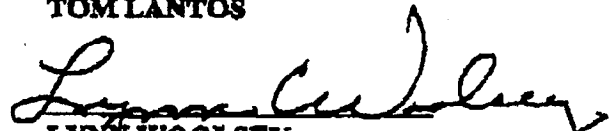

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